

COMMITTEE ON HUMAN RESOURCES/INSURANCE

August 30, 2006

5:00 PM

Chairman Gatsas called the meeting to order.

The Clerk called the roll.

Present: Aldermen Gatsas, Shea, Garrity, Pinard

Absent: Alderman Duval

Messrs.: V. Lamberton, M. Nicholson, J. Tollner, D. McDonough, D. Hebert

Chairman Gatsas addressed Item 3 of the agenda:

Presentation by representatives of Harvard Pilgrim Health Care.

Virginia Lamberton, Human Resources Director, stated I would like to introduce you to Mark Nicholson and Jack Sharry from Group Benefit Strategies.

Mark Nichols, Group Benefit Strategies, stated good afternoon. For those of you who may not remember Jack and I, we are Group Benefit Strategies. We have been the health insurance consultants to the City of Manchester for several years now. Since Jack and I have been on board, one of the first things we came across was the fact that Anthem Blue Cross and Blue Shield really does not have a lot of competition here in the NH municipal market. The overwhelming majority of our clients happen to be Massachusetts cities, towns and school districts and in a number of those Harvard Pilgrim is part of their health plan program. So it was with interest this winter that we noticed that Harvard Pilgrim had added to their provider network where they now have all of the hospitals in the State of NH and last month we noticed that the state university system named Harvard Pilgrim as their health plan. So as we move forward with the RFP process I think Virginia would tell you that the City has been well served with the RFP process and going out to bid for health insurance, but it can be a very lengthy process. When you look at four to five months, that shortens very quickly to make it very difficult to make sometimes important decisions. So we thought we would start things off a lot earlier this year so we asked Harvard Pilgrim to come in and make a brief presentation and go over some information and you can ask them any questions. I noticed that the next item on the agenda actually is a request to have another health plan come in. Jack and I certainly think that is a great idea as well. At this

point I would like to introduce the Sales Manager for Harvard Pilgrim in NH, Denise McDonough and the Sales Director for Harvard Pilgrim New England, Jim Tollner.

Jim Tollner stated just before Denise starts with her presentation, I just wanted to take a second and introduce myself. I am Jim Tollner and I am the Sales Director for Harvard Pilgrim of New England in NH. I also have responsibilities down in Massachusetts. I am responsible for the team, which is the key account team, which handles all of the major corporations. So like Bank America, colleges, universities, EMC and all of the large corporations that we serve, as well as the municipal team. Down in Massachusetts we serve roughly about 151 municipal accounts so we are very familiar and comfortable with serving the municipal communities. I think Denise will go into our relationship with the City of Nashua. Other than from an Alderman's perspective I will not discuss the City of Nashua account because I am also an Alderman in the City of Nashua. I have been an Alderman down in Nashua for about 13 years serving on similar committees that you are on and last night in particular we were discussing health insurance because we voted on a union contract. So we are going through the same struggles that Manchester is as well as other communities trying to find a way to control the cost of health insurance. The discussions that we have had down in Nashua are the same ones that I think you are considering here. Are there other alternatives? Anthem is a good plan with a large network. Harvard Pilgrim is a good plan with a large network. You also have Cigna and then you have two newcomers to the market. One of the things I think we found out down there is that the two newcomers to the marketplace don't have either the products that a municipality can offer or sell to their unions or the network. Right now I think there are only three carriers in the state of NH that offer a statewide network. We have a statewide network. As Mark mentioned we cover all of the hospitals that are in NH. Before I hand it over to Denise McDonough we also, as Mark mentioned, just got the university system as an account of ours. That includes Keene State College, Plymouth State University, Granite State College, as well as UNH. So before they made that decision they had a number of meetings with their vendors and they choose Harvard Pilgrim. I would be more than happy to answer any questions as far as what we would do as a plan after Denise is finished. If I say anymore I am going to steal her thunder.

Chairman Gatsas stated if you say anymore you are liable to throw UNH right into the bucket because at the state we were looking for them to take a look at the self-insured plan that we have at the state.

Mr. Tollner responded they were. That is one of the options that they had discussed with us.

Chairman Gatsas stated I don't know how long they looked at that.

Denise McDonough, Harvard Pilgrim Health Care, stated let me just start by saying that for those of you who aren't as familiar with Harvard Pilgrim, we have been around since 1968 but we have been here in NH for roughly 10 years. We have grown somewhat significantly over the last 3-4 years and as Jim mentioned have become truly within the last 12 months a much more comprehensive and statewide player here in the State of NH with a very robust and comprehensive statewide network allowing us to really effectively compete now with the two other competitors here in NH being Cigna and Anthem. With that we have increased our ability to really be able to play in the municipal market more than we were historically and within the recent 12 months have brought on a number of municipalities and school districts – roughly 25+ of them scattered throughout the entire state of NH. One of the abilities that has allowed us to be able to grow in this segment is the portfolio expansion that we have been able to introduce. Most importantly and most recently for January 2007 a Medicare product, which will really enable your Medicare individuals and retirees to have a product that enables them to travel nationally and be covered and not be working within a small New England network of providers. That is really something that is new for Harvard Pilgrim to allow us to be able to play in this municipal market segment so it is an exciting step for us and one that we feel will really allow us to continue to grow. With that, we would like to just walk you through a brief presentation. I will go through this quickly because I realize that you have other agenda items. Feel free to stop and ask questions as we go along but I would just like to give you a brief overview of where we are today with Harvard Pilgrim Health Care particularly as it relates to us here in NH. Perhaps many of you know that we have been awarded #1 in America by *U.S. News & World Report* and *NCQA* as #1 in member satisfaction and number one in clinical quality and we are very proud of that ranking. You can read more about that but essentially it has been *U.S. News & World Report* and *NCQA* as the #1 ranking in member satisfaction and quality of care and we have done that rating for two years in a row now, as well as a distinguished award from *J.D. Power & Associates*. Harvard Pilgrim in 1968 was founded by a group of physicians. We merged with Pilgrim Health Care in 1985. We are in the first in the country to be associated with a medical school, that being Harvard Medical School, and the first in the nation to cover a heart transplant. As you may know, we are a not for profit organization and we continue to be such and our mission there as you can see is to improve the health of the people we serve and the health of society. Just our agenda very briefly. As Jim mentioned to you and we know of critical importance to you is access, provider access for your employees here in the City. We have in excess of 22,000 providers now in NH, Maine, Massachusetts and Rhode Island and most importantly to you we have all of the hospitals here in the state of NH, all of their employed physicians and the vast majority of all of the physicians that admit to each of those hospitals on an

independent basis. That means that your employees would be able to have a smooth transition from your current carrier over to Harvard Pilgrim maintaining the consistency in the transition and being able to stay with that same provider. Equally as important through Harvard Pilgrim you have a seamless access down to Massachusetts, which being only an hour away from the Massachusetts hospitals is an important feature for you to consider. So all of your NH based employees here would be able to travel down to Massachusetts or even be choosing their primary care doctors down there if they so chose and have access to Mass General and the Brigham & Women teaching hospital without difficulty or medical direction exception or approval. It is a very seamless process and network. In addition to our own network, we also have access to networks with whom we work that allow for national access so for your folks who are perhaps traveling or your retirees...as we mentioned we have relationships with Private Health Care Systems, which is a national network of providers. Your folks would have access to those providers, as well as a strategic alliance with United Health Group, which allows our larger partners to have access again to a national network of providers outside, above and beyond Harvard Pilgrim's New England based network of providers. So in summary we really are now able to offer you a very comprehensive national network of providers allowing members to be in and outside of our area and have access to providers of their choice, both within our service area and outside. In terms of a product portfolio, we have a comprehensive set of options in terms of products. Clearly the one that we tend to have the majority of our employer groups on is our HMO product but in addition to that we have POS products, PPO products as well as the Medicare product I mentioned earlier, which is the *First Seniority Freedom* product. Within that we have a number of options in terms of best buy products and tiered products, but overall our product portfolio is very comprehensive and vast and appeals to all employer groups based on what it is that they are trying to achieve and in your case where you would need to offer a combination or a number of product options we would be able to do that for you as well. In addition we have flexible spending accounts, health care reimbursement accounts as well and offer our products on a both a fully insured, as well as a self-insured funding arrangement. Again we have both affordable products. We have full service comprehensive products. We have products with deductibles, etc. depending upon the needs of you and your employees and some combination within. We have a unique relationship with Guardian in terms of a dental relationship for organizations that are looking to get their dental insurance as well. We have a relationship with Guardian with which we can partner and get you competitive and aggressive premiums and rates as well. In terms of Harvard Pilgrim's financials, just briefly you can see that represented here for those of you who are interested but financially Harvard Pilgrim is doing very well. We have a history now of 23 consecutive quarters of positive financial gain. The first quarter of 2006 we had an operating income of \$7.9 million and net of \$15.3 million and the year end information there as well of

\$52.7 million. We are a very strong and stable company. We have several years to demonstrate that to you and certainly for those of you that would ever be interested we could provide you with much more detailed information in terms of our finances as well. In terms of tools that we can provide to you and the employees here within the City, Harvard Pilgrim is very focused on technology and providing the tools that employers and employees and members need and that our providers need to do what they need to do in making educated decisions in terms of their healthcare. The new plan cost estimator is a tool for employees to use during their open enrollment to be able to determine which plan is most appropriate and applicable for them based on their individual healthcare needs. You can see there that essentially they are able to put in their own anticipated healthcare expenses to help them to understand which plan is most appropriate for them based on what is being offered to them by their employer. It is a very nice tool and it really empowers the employee to make a more educated decision and choice. HPHConnect is an on-line tool. It is multi-faceted in that it enables members to go in to make changes, to access information through providers and through Harvard Pilgrim. It is an on-line real time tool that allows members to be able to make these types of changes that allows providers to be able to do referrals and authorizations through this system, real time with no paper and it also allows employer groups to go in and make immediate changes, enrollment, report running, etc. It is a fantastic tool and it really does enable all three of those constituents to be able to make very quick changes and it really results in much better care across the entire system, the delivery system where things are not being delayed due to paper and potential losses of that paper as it makes its way between the different parties. I won't go into what it can do for you but you can see there the variety of aspects that HPAC can do for you and the member and the provider as well. Obviously we have EDI enrollment, direct enrollment electronically that provides obviously a much quicker and easier enrollment process as well and that is something that we typically would do for a larger employer group like yourself, again allowing for better and more expeditious service for you and the employees. In terms of quality, Harvard Pilgrim is certainly very much known for its ability to provide exceptional clinical quality to its members. That is what we are known for and that is what we continue to receive accolades for. It is certainly a very important component and one that we think is going to be important to you folks. Harvard Pilgrim has very, very comprehensive longstanding programs that have been in place for many years, well before any plans or any programs like them were implemented by our competitors. In many cases our competitors still have not implemented comprehensive programs like Harvard Pilgrim's that have been in place for many years. There are some of them listed as examples. It is not a comprehensive list but they are very intensive clinical programs to outreach to these members that have these type of diagnoses to enable them and empower them to make decisions, to improve the communication between them and their provider, to give them the information that they need to ask their providers

educated decisions and to make the most of their relationship and the time that they spent with their providers when they do go in for that provider visit.

Mr. Tollner stated let me take one example. Diabetes is one that Harvard Pilgrim started over 20 years ago. A lot of the programs that you are going to look at, our competitors, for the most part the three big ones in NH now pretty much have a similar network so why are we able to achieve the rank of #1 in clinical quality care for the last two years? I will give you an example with the diabetes arrangement. What we do is we identify every patient that has diabetes. We send that patient a letter and give that patient a card and on that card there are five or six items that that patient should ask their doctor to look at when he or she goes into a doctor's office. The flip side of that is we do the same thing for the physician. So every single patient of Harvard Pilgrim, each one of their physicians receives a similar card and letter from Harvard Pilgrim that the next time they see John Smith, when John Smith comes in for a visit, that physician is reminded these are the four, five or six things that he should check or ask that patient about their care. So the patient will have it and the physician will have it. So if one of them happens to forget about it, chances are both of them won't forget about it so that is one particular piece for diabetes. The other thing we are able to do is through the pharmaceutical data that we have with the prescriptions we are able to set algorithms up to code information to look at multiple morbidity's before they become a problem. As a result of finding those multiple morbidity's and addressing them and attacking them before they become a high cost claim for you, the employer, two things happen. We are able to better control costs and the second thing is the second reason we were named the #1 plan in the United States two years in a row and that is we have the most satisfied members. Those surveys are given to every plan. It is not a Harvard Pilgrim survey. It is a survey that is done by the different entities and Harvard has nothing to do with it. So as a result, you have more satisfied members, you have the ability to control the claims costs and in the long run that is basically what you are doing. We are never going to be able to decrease the premiums. I think what everybody's reasonable objective is is to control the medical trends and the cost increases that you are going to see year to year. We could go into asthma. Asthma is another example where we just don't deal with the patient. We were the first ones to address pediatric asthma and how we did that was to engage the patient, the parents, the physician's office and the school. As a result of that we have decreased the hospitalizations for pediatric asthma by over 50%. The bottom line is that child stays in school and that parent is able to stay in school. It is a wicked change. The parent isn't out of work because the child is out of school because the child is sick. We have a lot of data if you would like to see it.

Ms. McDonough stated just to continue to walk through this in terms of clinical programs as some examples we have a number of programs where we are

outreaching to our members on a proactive basis as reminders for those people that have certain illnesses or diagnoses or predispositions to certain things. Harvard is outreaching to those members to remind them. For instance to send reminders for breast and cervical cancer screenings and for pediatric immunizations. We know that there are children at certain ages that aren't receiving their immunizations and they should be and we are outreaching to those member's families to say your child hasn't received their immunization and they really need to and please go ahead and schedule this. We are outreaching to the doctors simultaneously saying you have a panel of patients and of that panel these three members have not received their childhood immunization or their breast cancer screening and please outreach to that member. So it is a multi-faceted approach to really get the member and the provider engaged to provide the best quality in terms of care and best quality clinical care to keep this member healthy and to do the appropriate type of screening before they become ill. Flu immunizations and outreaching to the high-risk members and the elderly to remind them to get their flu immunizations, etc. Every member at Harvard Pilgrim has a case manager. There is a case manager on hand for every member. When folks are admitted to the hospital they are followed and discharged to make certain that they have what they need, that the transition to their home is a smooth one, that they understand the meds that they are being instructed to take, to make certain that they have the support that they need in their home and if they don't to get that support for them to make that transition back home. Every member who is discharged from a hospital gets a phone call from a case manager to have that discussion to understand what the needs of that patient are as they move in that transition back to their homes. Harvard Pilgrim *At Work For You* is a program within Harvard Pilgrim where we work with the employer to develop meaningful onsite health programs so we take a look at your utilization and what the areas of high utilization may be, what the demographics of your population are, where are the areas of concern within your population and we recommend onsite health education programs for you, whether that be stress management or back issues or whatever the case may be and we bring folks in here to educate your employees and make them more informed. We have a number of programs that Jim touched on as well. They are very, very sophisticated programs that are trying to identify and reach the high risk or high cost members in many cases on a proactive basis before these folks actually become high, high risk or high cost members. These are typically...in this case of *Health Advance* it is a very small population of people but it is the same population that are incurring the vast majority of your claims and cost dollars and if we can reach them before they become really high cost then your claims dollars are reduced and their quality of life is dramatically improved. So based on the algorithms that we run and based on their diagnoses and the meds that they are taking we are able to outreach to these members and put a plan in place for them before they become catastrophically ill. We outreach and get them involved in this program. It is a completely optional program but we

have 100% participation from those members that we have outreached to and it has been extraordinarily successful in reducing the claims dollars for the employers that have employees within this population. *Heart Champion* again is a similar program. Of course it is geared towards cardiac disease, again outreaching to these potentially high cost claimants to improve their clinical quality and the outcomes and reducing the claims dollars and again improving their quality of life. *Your Care Champion*, again, this is to support members with very complex diseases. There are some of those listed there like Parkinson's, lupus, cystic fibrosis, etc. Again identifying who these members are and really engaging the nurses and physicians from Harvard Pilgrim to outreach to these members and get them involved in a clinical program and monitor and maintain their health situation and simultaneously keep the costs down for those employers and employees and also improve the quality of life for these members. *At Work for You* we discussed. Those are the onsite programs. We base it on your utilization and demographics and what your needs are for your specific population. Effective pharmacy management, of course, is very important to everyone as we all know that the cost at pharmacies has escalated dramatically over the years. We have a three tiered drug benefit as many of our competitors do as well but it has really been effective in helping us to maintain the cost and the escalation of pharmaceutical drugs. We have driven prescribing behaviors through increased co-pays but we have also been very successful in increasing the use of generic drugs from 44% to 64%, which is markedly higher than the national average and something that we are very proud of. Three-tier utilization, the third tier or the highest tier utilization has decreased from 14% to 8%, which is obviously suggesting that folks have moved from that third tier down to the generic tier.

Mr. Tollner stated the major different between our pharmacy program and any of our competitors in NH is we have an open formulary. What that means is any drug that has been approved to date from the FDA is in our formulary. Where our competitors have a certain list of drugs and those are the ones they choose and if a particular drug isn't on their formulary you have no coverage. What we found with the open formulary is, especially for municipalities and dealing with contracts with different unions, with an open formulary the choice is the members choice. So if they want to pick for instance Claritin and on a number of plans Claritin is no longer on the formulary, it still is on our formulary. It is just on the third tier. So that member or that employee can still have Claritin but he or she are going to pay the third tier co-payment. What we found is it is much better for the patient and the physicians like it because they don't have to sit there arguing with a patient saying I am going to prescribe something else because you are with a different vendor other than Harvard Pilgrim and I know you want Claritin but it is not on their formulary. Those conversations are non-existent with our plan. With the open formulary like I said all of the drugs are on it but they are on different tiers. We have been very successful with the generic pharmacy component of our

pharmacy program and the mail order has been very, very successful. The open formulary...we are one of the few plans in New England to have an open formulary.

Ms. McDonough stated the mail service program obviously is not only a convenience factor for members who are taking those routine meds each and every month and saving them from having to go and physically pick them up at the pharmacy but in addition can be a cost saving measure for them as well as they can get a three month's supply at two times the co-pay as opposed to three times the co-pay. So they are saving themselves that one-month of co-payment and a little bit of convenience in not having to go out. The pharmacy network is extremely extensive and also important to you as well. Much like the provider network we have more than 47,000 participating pharmacies nationwide, including all of the major chains as well as a majority of all of the independent smaller mom and pop pharmacies. In terms of service again something that Harvard Pilgrim prides itself on and something that Harvard Pilgrim has won accolades on is providing service both in terms of employer and employee service. It is something that we strive to excel in and something we feel that we have excelled in. Just to give you some statistics, our telephone abandonment rate is at 1.29% with the national average being at 5.5% or more. Our average speed to answer is 30 seconds. You are always getting a live person. You are not getting routed between multiple different parts of the organization. Our member reps are there in person. They are local. They are in Quincy, MA and they are empowered to work with a member and resolve health problems. They are not there to simply take complaints or questions and get back to them at a later date. They are empowered to resolve and assist members right then and there in that first initial call. Total number of calls offered in this three month period of time was 191,000+. Our claims services as well are very important to members and employers as well. Our claims financial accuracy average is more than 99.8%. We are turning them around in 3.98 calendar days on average and more than 98% of them are resolved within 25 calendar days. What this means is that the member isn't getting bills from a provider who hasn't been reimbursed correctly from Harvard Pilgrim. It leads to better member satisfaction and it leads to better provider satisfaction and that is important to us. We want our providers to be happy and we want our members to be happy. If claims are getting paid quickly, that keeps the providers happy and it keeps the members from getting bills and having to deal with providers and Harvard Pilgrim to resolve claims issues. Account services. Again one of our goals is to provide exceptional account level service as well. Every account in the larger group market of 50+ has a dedicated account service coordinator. This is the person that helps you with account level questions, servicing their accounts, providing information on policies and procedures, enrollment and billing. You have a dedicated person. You have several dedicated people throughout the organization, not only through a sales and then a service

perspective but from an enrollment billing perspective, a core group of people in member services who are educated in terms of how to answer NH specific questions...all of this just leads to a better experience for everyone involved – employer, employee, provider, etc. Committed to your business. Obviously we want to provide you with the information you need to be able to manage your costs. Particularly as a larger employer it is important for you to be able to get the information from us that you require and to your consultant so they can understand where your utilization is, what we can do to reduce it, what we can do to help control and maintain your costs and then it is our goal to give you that information and provide you everything you need to be able to make educated decisions in terms of potential benefit design, knowing exactly where you folks stand, how you compare to other industries, how you compare to other like municipalities, and providing you with the benchmarking information you need so you can really have a good understanding of where the City of Manchester falls comparatively to others. Higher performing? Are you similar or different? If so why and what can you do to resolve any areas of concern. *Total Assist* is a program that we put into place a couple of years ago. It is really to make the transition for an employer group from another carrier to Harvard Pilgrim to be smooth and seamless. It is something that has been extremely successful. It is providing a very, very high level of support at the member and employer level. It's outreach calls, for instance, to every single new member from our Member Service department. A true phone call from a live person welcoming them and asking them if they need any explanations in terms of their new benefits and asking if they have questions regarding the network, etc. It is on-call nursing availability. It is members being able to call and ask medical questions or clinical questions. It is a whole host of service that we are offering to new groups as they come over to make that transition, which we know can be difficult and angst can come along with it at the member level and we make our best effort to make that a very smooth and easy transition for the employees and for you as the employer group if you will as well. Lastly in terms of savings we offer a member savings to all of our employer groups as well. It is really a comprehensive benefit in terms of fitness programs. We offer a national network of fitness facilities that folks can join and enjoy discounts for. It includes home equipment as well and an eyewear savings discount for a discount on folk's eyewear in addition to the medical benefit of the eye exam. Alternative complimentary medicine is a part of this program. Weight Watcher's discounts off of Weight Watcher programs, etc. It is a very comprehensive program including all sorts of in home and out of the home discounts and savings for members to work out and be healthy. New to this year, Harvard Pilgrim introduced a fitness reimbursement. This was not something that we were able to offer in the past. It is \$150 reimbursement per subscriber within every family to reimburse folks for working out a certified health club, obviously encouraging good health and encouraging people to work out and to give them that monetary reimbursement to really encourage them to continue working out

and be healthy. That is something that has been received very well in the marketplace and is really being utilized quite heavily. Our expanded fitness network is through the International Fitness Club Network. It is a national network giving members lots of significant discounts off of fitness facilities, free trials, etc. It is a very extensive network – more than 480 in New England alone and still growing. With these discounts, the members are able to save an average of \$175 in the first year alone. In summary, Harvard Pilgrim is here in the state of NH. We are here to stay. We are expanding very rapidly. We have expanded tremendously over the last five years. We want you to know that we are here to stay. We consider ourselves now to be a real true viable option and play in the state of NH. We have a statewide network here to be able to offer larger employer groups, like yourselves, which historically we simply were not in a position to do, and a full comprehensive portfolio of options as well, which we now you require given your varied population and Medicare folks as well. We very much hope that you will give us an opportunity to at least put a bid forth and we hope that you would find in that process that we could be a very viable option for you folks for your upcoming 7/1/07 renewal.

Mr. Tollner stated one other thing is some of the accounts on the commercial side that we have in NH are BAE, roughly 10,000 of their members; Hewlett-Packard; Southern NH Medical Center – we have every single one of their employees. They have three products there. We offer three different products and a nice variety for them to choose from. We have them sole source as well as a substantial number of Verizon employees in NH just to name three or four. Denise mentioned we can offer under a self-funded or fully insured arrangement. Probably the most unique arrangement is the *Total Assist* plan that Denise spoke of and we offered that to the university system of NH as well. That is if you were to make a change, Harvard Pilgrim believes that it is our responsibility to handle that member and help them through that process of changing carriers. It is not the City of Manchester's responsibility. We believe that it is our responsibility to outreach to that member and there are a number of different ways. We can do it either on-line with an 800 number to start the relationship or have nurse case managers here during the open enrollment process. The entire enrollment process, *Total Assist* program, lining everybody up so that as of the effective date of your plan you shouldn't have any problems. A good example of that is the City of Boston. They had three HMO's at one time. About three years ago they decided to consolidate and they went with Harvard Pilgrim so we moved roughly 24,000 members and I think that City has similar union concerns and issues in making that transition just like Manchester and Nashua has and I think Jack can attest that we didn't have one complaint. Mayor Menino's office did not get one phone call and would be more than happy to be used as a reference. We transitioned 24,000 members without a peep and we can do that for the City of Manchester as well.

Alderman Garrity asked Ginny how does this bid process work. Does it start at the end of the year and when does the current contract expire, 7/1/07?

Ms. Lamberton answered correct so we would probably start sending stuff out November/December with due dates of February and bring people in for interviews and analysis.

Alderman Garrity asked did we have any bidders last year.

Ms. Lamberton answered this is our third year of the contract.

Chairman Gatsas asked Ginny is the only way we can do this through an RFP.

Ms. Lamberton answered yes because the contract is more than \$10,000.

Chairman Gatsas asked but through the RFP process we could have everyone come in once the bids are received and then go through a negotiating process.

Ms. Lamberton answered what we do is send out an RFP and we have...you know our collective bargaining agreements are quite specific in the level of coverage that the employees have so that is all part of the RFP. We also require the same networks that we currently have and any other miscellaneous programs that the employees have been awarded.

Chairman Gatsas asked what kind of program are we currently on.

Ms. Lamberton answered we have Point of Service program and an HMO. We have two types of programs.

Chairman Gatsas asked and the Point of Service is that fully funded or self-funded.

Ms. Lamberton answered both of our programs are self-funded. Actually that is what Jack Sharpy and Mark, Mark in particular gets all of the responses to the RFP and he does a very detailed in-depth analysis, which Alderman Shea has seen and then he brings them back to the City and usually we ask the Chairman of the HR Committee or his designee to please sit in on the presentations from the people who are going to be interviewed. We are not going to interview somebody whose prices are like 10 times what we are paying, but the semi-finalists. We meet with them once and then we usually meet with them once or twice more and negotiate with them if we think we have a viable contract. Then we bring it back to the HR Committee and then to the full Board and then we are on our way. That is how it works.

Chairman Gatsas asked do you have any companies now that hold the checkbook.

Ms. McDonough answered the City of Nashua is currently with Harvard Pilgrim and they are on a self-funded arrangement with us and they have been for a number of years. They were originally fully insured and then they moved to a self-funded arrangement back a couple of years ago.

Chairman Gatsas asked but on the self-funded arrangement is the checkbook the City's or is it Harvard Pilgrim's. Are claims paid out of the Harvard Pilgrim checkbook or are they paid out of the City's?

Mr. Tollner answered basically the way it is set-up is if you are under a self-funded arrangement we would ask you to set-up an account. We would tap into the City of Manchester account. It would be on-line. What we would do is weekly we would ask for, for lack of a better term, a call up and basically what we would say to you is last week Harvard paid \$12,000 in claims on behalf of the City of Manchester and we need you to replenish the account.

Chairman Gatsas replied right but my question is the check that comes out of that account to pay the claim. Is it Harvard Pilgrim's check or is it the City's? Let's assume a claim for \$25, that check goes through the wash.

Mr. Tollner responded Harvard cuts the check for the services.

Chairman Gatsas asked so that \$25 that goes through the wash stays in Harvard Pilgrim's checkbook and not the City's.

Ms. McDonough answered I am not sure I understand what you are saying.

Chairman Gatsas stated for example if an employee is reimbursed for something and you send them the check...

Mr. Tollner interjected we don't reimburse or cut a check for the employees at all. It is a pre-paid health plan so if you go to the physician's office you pay a \$10 or \$20 co-pay. The check that we cut would be to the provider and most of those, as we mentioned earlier, are done on-line within the month so they are wired to the different providers.

Chairman Gatsas asked do you have a SAS-70.

Mr. Tollner answered yes.

Alderman Shea stated there is one question that I have and it concerns the length of any kind of policy the City might be involved with. In other words, is there usually a stipulation that if your company gains the bid that there is something in the contract that does not allow the City to next year bid again on another company or is there something called a lock in that you have?

Mr. Tollner responded if you decided to go with Harvard Pilgrim you could put it out for bid and not that a lot of municipalities do this because of union contracts but you could put it out for bid every year if you so chose.

Alderman Shea asked so there is no impediment...

Mr. Tollner answered no.

Ms. McDonough stated typically our rates as we issue them are good for 12 months and typically the contract is a 12-month contract only after which time either party can decide to part ways.

Mr. Tollner stated I might add that our retention on accounts that we sign up, large accounts, is running about 96%. So once we get an account because of the service and the clinical quality that we offer our employer groups and their employees, very rarely do we lose an account.

Chairman Gatsas asked Ginny in the current program who picks up the tail. Is the tail Anthem's or is it ours after the 12th?

Ms. Lamberton answered it would be ours.

Chairman Gatsas asked are we insured for that other piece.

Ms. Lamberton answered I don't believe so. That as an item that we were negotiating when we were looking and Mark can correct me if I am wrong but when we were looking at changing carriers last time. Who was going to be responsible for...and I forget what they call it.

Chairman Gatsas responded the tail.

Ms. Lamberton stated no there is something else they call it but that was a concern. Definitely a concern, however, it can be negotiated.

Chairman Gatsas asked so right now if we are responsible for the tail we have to take a look at what that tail is with Anthem.

Ms. Lamberton answered we would and we would have those numbers, which we have had in the past.

Chairman Gatsas asked have you ever handled the tail doing a 12 and 15 – incurred in 12 and paid in 15.

Mr. Tollner asked have we ever, yes we have.

Alderman Garrity stated the last time we went out to bid Ginny was probably two and a half years ago. Jack Sharpy and Mark were the consultants right. What was the cost for that?

Ms. Lamberton responded \$30,000 for that and the other services that they provide to us.

Alderman Garrity asked would that be the cost in the ballpark to do that again.

Ms. Lamberton answered we have a contract with them again right now.

Alderman Garrity asked so the contract would also include going out to RFP for a new healthcare provider.

Ms. Lamberton answered absolutely. Then we would do the dental and then we are talking about doing our flexible spending program as well. Whatever we ask them to do for \$30,000.

Chairman Gatsas stated the drug rebates, what have you been experiencing for a percentage on rebate to the communities.

Mr. Tollner replied any drug rebate, as long as you are self-funded, would be returned to you. Roughly 90% of those drug rebates would be returned to you and they really differ for each community depending on the size.

Chairman Gatsas asked and the other 10% goes where.

Mr. Tollner answered the other 10% goes to Harvard Pilgrim, not for Harvard Pilgrim to hold onto but there is a licensing fee that we need to buy in order to facilitate the fulfillment of the drug rebates. So in essence when we say that you get 90% back if you put in the cost of the software that we have to pay for you probably get back about 97%. The other thing is we did mention that we are non-profit but we work year to year on margins of about 1.5%. We don't have any stockholders or Wall Street that we need to deal with and if you look at, I would say over the last four or five years, our margins have run...and it is targeted that

way. It is not as if we are looking for a lot more than that. We usually target between 1% and 2.5% given the climate of the market place.

Ms. Lamberton stated we are self-insured and that has worked out very well for the City of Manchester and one of the things when we bid we bid it for the stop-loss. Do you have your own stop-loss or if you were to bid would you be contracting that out with somebody else?

Mr. Tollner responded we could do it both ways. We have an arrangement with a partner that we can provide you with stop-loss or we can go out and quote a number of different carriers and provide you with that too. You can choose which one you wanted to use.

Chairman Gatsas asked what are you finding the trend to be in New England.

Mr. Tollner asked the medical trend. Somewhere around 12% to 13% year over year.

Chairman Gatsas answered my understanding is it is down into single digits this year.

Mr. Tollner stated the data that we have doesn't show that it is down to single digits in New England. Across the country on average it might be single digits.

Chairman Gatsas asked what about in NH.

Mr. Tollner answered in NH it has hovered around 12%.

Chairman Gatsas asked ours is at what, 7%.

Ms. Lamberton answered ours was at 7.5% this year. We did very well.

Chairman Gatsas stated I am sure you will be hearing from Ginny. Thank you very much.

Chairman Gatsas addressed Item 4 of the agenda:

Request of Alderman O'Neil that Patriot Health be given an opportunity to make a presentation to the Committee on Human Resources/Insurance.

On motion of Alderman Garrity, duly seconded by Alderman Shea it was voted to approve the request.

Ms. Lamberton stated I have already heard from a representative. I returned the call and my message was that as soon as I know when we have our next HR meeting I will let them know and then they can come and do a presentation if that is okay with you.

Chairman Gatsas replied that is fine. Let's do it sooner rather than later because I know this process and in case we want to get into talking about adjudication of claims and getting a third party administrator in to see what the cost differences are and how we might do that in setting up our own network because I have to believe the two hospitals in the City would be more than receptive.

Ms. Lamberton responded we will talk about that.

Chairman Gatsas replied absolutely we will.

Chairman Gatsas addressed Item 5 of the agenda:

Communication from Virginia Lamberton, Human Resources Director, recommending the reclassification of the Parking Meter Supervisor position in the Traffic Division to a Parking Meter Technician.

Ms. Lamberton stated as you know the Traffic Department was broken up and different people were put in different places. The Board created a Parking Manager position to go to MEDO. That is a new position. Under that, the position that is currently...the Administrative Services Manager was moved to MEDO and a Parking Meter Supervisor, which is a salary grade 15, as well as a Parking Meter Technician, which is a salary grade 12. Well in the proposal that was put to the Board in the spring, the proposal was not to have a supervisor position anymore and frankly it is not necessary. The supervisor has been out working on the meters along with the other person who is a salary grade 12 all along anyway. So the fact of the matter is that the individual who is being paid as a supervisor is not a supervisor so it is really not appropriate to continue that. As a way to resolve it, I recommend that we reclassify the Parking Meter Supervisor position from a salary grade 15 to a salary grade 12 but allow the incumbent to be red lined and maintain his salary until such time as the salary grade 12 catches up to what he is at now. We have done that before. Actually we did it with the former Traffic Director and we have done that with other positions in the City when we implemented Yarger Decker.

Chairman Gatsas asked can you go a little slower with that. We are going to put him in at a 12?

Ms. Lamberton responded no. What you have to remember is when we are doing reclassifications we are talking about positions. We are not talking about the incumbent so forget about the incumbent for now. You have two positions that are functioning as Parking Meter Technicians. However, one of those positions is being paid as a Parking Meter Supervisor but they are not doing that type of work. They are doing parking meter technician work. The plan that was proposed to the Board originally was to eliminate the supervisor job because there was no need to have a salary grade 16 supervising a salary grade 15 who was supervising a salary grade 12. It didn't make any sense. Then as it turned out the salary grade 15 incumbent was really functioning at a salary grade 12 and he still is to this day. So that is the position. However, the incumbent...now we are not talking about the position anymore but the incumbent is being paid at a salary grade 15. What I am suggesting is that you allow that person to be red-lined where their salary is frozen until such time as a salary grade 12 equates to a salary grade 15 and then he would be able to, if he is still here, obtain the raises and step increases and what not. You are not paying them equally. You have a female employee who is a technician working side-by-side with a male employee who is being paid as a salary grade 15 and they are both doing the same work. From another perspective that is just not right and appropriate.

Alderman Garrity asked if I understand you, the incumbent who is at a salary grade 15 is going to remain at salary grade 15.

Ms. Lamberton answered if you want him to. I am asking you.

Alderman Garrity stated if he is not doing any supervisor duties...I mean the salary grade 15 is the Supervisor position is it not.

Ms. Lamberton responded correct.

Alderman Garrity asked so the salary grade 15 is doing the work of a salary grade 12 currently.

Ms. Lamberton answered correct.

Alderman Garrity asked then why would we keep them at a salary grade 15.

Ms. Lamberton answered because frankly that appears to have been what has happened in the past in my observation. The other thing was the night of the meeting when this concept was all going through there were several Aldermen that were very concerned about taking money away from this person when in their mind it was no fault of his own that the whole organization got dismantled and his world changed basically.

Alderman Garrity asked the salary grade 12, what is that.

Ms. Lamberton answered we will use the minimum. The minimum is \$26,376. A salary grade 15 is \$32,311.

Alderman Garrity stated that is a \$6,000 difference on average.

Ms. Lamberton replied it would be and in this instance if you follow the ordinances for reclassifying a position downward and then what happens to the incumbent, he actually would lose \$8,000 because of where he is at and it is based on his years of service.

Alderman Shea stated that is what I was interested in and the other point is in terms of longevity, what is the difference between the person that is now a salary grade 12 and the person who is a salary grade 15. How long have they each worked for the City? Do you have any idea?

Ms. Lamberton responded I believe the person who is a salary grade 15 has worked here 14 or 15 years and the other employee has worked here only a couple of years.

Chairman Gatsas asked why couldn't we take the person that is a salary grade 15 at \$32,000 and put him at a salary grade 12 at \$32,000 and freeze it there.

Ms. Lamberton answered let me just look and I apologize because I should have looked that up before I came here tonight. I did know it. I think he is maxed out and the maximum for a salary grade 15 is in the \$40,000 range and the maximum for a salary grade 12 is \$37,000.

Chairman Gatsas asked but if we are just freezing, we are only freezing the position at a salary grade 12 because of longevity so he doesn't lose the money because if we are downgrading then why wouldn't we grandfather him at a salary grade 12 at whatever he is earning and go from there.

Ms. Lamberton answered if you agree with my suggestion or recommendation, the position he is in would be reallocated downward to a salary grade 12. He would be a Parking Meter Technician but his salary would not be reduced to the \$37,000.

Chairman Gatsas stated if he is getting paid \$40,000 he would go to a salary grade 12 and keep the \$40,000.

Ms. Lamberton replied right. That is what I am trying to propose to you.

Chairman Gatsas stated well that was a long way around the block.

Ms. Lamberton stated that is why we call it redlining because let's say for the heck of it I know he is having a step come up soon but he shouldn't get that step because he is not performing at the salary grade 15 so he is frozen at whatever step he is at now. Someday...let's pretend that over the years a salary grade 12 comes up to...let's say he is a step 11 just for the heck of it, which is \$35,000 and he is making say \$43,000. Well when step 11 comes equal to \$43,000 now he can start getting steps again. Do you see what I mean?

Alderman Garrity asked do you have a run down of job duties from the salary grade 15.

Ms. Lamberton replied do you want to know the difference.

Alderman Garrity answered yes.

Ms. Lamberton stated there is a very simple difference. It is supervision.

Alderman Garrity asked and this particular person is supervising nobody.

Ms. Lamberton answered correct. They also had the responsibility for counting money, which I understand is not being done by this position anymore either.

Alderman Shea moved to establish a reclassify the Parking Meter Supervisor position to a Parking Meter Technician and redline the current Parking Meter Supervisor's salary until the salary grade 12 catches up to his salary. Alderman Pinard duly seconded the motion. Chairman Gatsas called for a vote. The motion carried with Alderman Garrity being duly recorded in opposition.

Chairman Gatsas addressed Item 6 of the agenda:

Communication from Virginia Lamberton, Human Resources Director, seeking approval of the establishment of a new class specification (AmerCorps VISTA Member) and requesting rules be waived in order that the position be established prior to September 18, 2006.

Alderman Shea asked Ginny could either you or Dennis...

Ms. Lamberton interjected I am asking you to do this on behalf of Dennis Hebert who is the one who is responsible for this grant everything so Dennis if you could come up please. Maybe you could tell the members of the Committee about the

urgency of getting this class specification through and why it needs to get through and maybe why it is delayed a little bit.

Dennis Hebert stated thank you, Ginny, for all of your help on this. Within the last three weeks the Corporation for National and Community Service, a federal agency, approved a federal grant for the City of Manchester to run AmeriCorps VISTA for the next year. The total amount of the grant, cash and in-kind, is going to be well over \$500,000 and as part of that grant one of the responsibilities that the City will have will be to reimburse the VISTA members who are serving in our community. They receiving a living allowance of...well it will be \$909 per month during their year's stay here and the City would be reimbursing the VISTA members twice a month with direct deposit into their checking accounts. The deadline for acceptance of this grant by the City is, I believe, September 17 or 18. At that point in time we need to be ready to roll in essence. We need to have all systems on go and be ready to move forward. I don't know if you are familiar with AmeriCorps VISTA or not.

Alderman Garrity moved to approve the establishment of a new class specification for the AmeriCorps VISTA members and waive the rules in order that the position be established prior to September 81, 2006. Alderman Shea duly seconded the motion. Chairman Gatsas called for a vote. There being none opposed, the motion carried.

Chairman Gatsas addressed Item 7 of the agenda:

Communication from Virginia Lamberton, Human Resources Director, submitting a departmental listing of performance appraisals completed between July 1, 2005 and June 30, 2006.

Alderman Garrity asked is this just for informational purposes.

Chairman Gatsas stated basically these are the performances that we asked for, Ginny, by department.

Ms. Lamberton replied correct.

Chairman Gatsas stated maybe what we need to do is have...now that we have them maybe we can get a comment from the department heads as to why they aren't at 100%. Do you have that?

Ms. Lamberton responded I don't have that yet but I have some plans to work with the departments that are not doing so good to improve their record and assist them in helping their employees. There could be a variety of reasons why they are not

done. I suspect I know some of them and some of them I don't know so I will be working with some of those departments or the ones that are really out to get them up to 100%.

Chairman Gatsas asked by when.

Ms. Lamberton answered I am doing it in 12 month cycles so I will work with them to make sure that when we look at it again next summer they are all at 100% for the year.

Chairman Gatsas stated well I would think that we should try to get these completed while we are in the process of discussion during the budget because doing them now...

Ms. Lamberton interjected just remember that this does not represent people that did not get steps. They all got steps. It is just if they were eligible for a step. What they didn't get was their performance evaluated. That was the question. So there are people that frankly and I know because I personally did this study myself, which hurt my back but that may have been promoted and whatnot and not had their performance evaluated in several years. That is not good.

Chairman Gatsas replied well let me ask the obvious question. If the performance was lousy they still got their step?

Ms. Lamberton responded well I don't know that. I only know what goes on in my office but that is a possibility. Any question you ask me is going to have a 50/50 answer. It could be and it couldn't be. That is why I will work with the department heads on making sure that they do the evaluations before they give a step.

Alderman Garrity stated one of them that sticks out...I can understand MEDO and Assessor because they were without department heads but Highway has a lot of supervisors and why are they at 71%.

Ms. Lamberton replied that is an interesting question because when I was doing this I would look at the title of the person who should be reviewed and whoever the supervisor was that would sign off on the forms and it is kind of interesting. I don't think there is any good answer to that. It was totally cross-sectional. It wasn't just one group of employees who aren't being evaluated. It was at all different levels. I will talk with Frank Thomas.

Alderman Garrity asked so it was across the board in that department.

Ms. Lamberton answered yes, which is very interesting. However, I would say more so...if I had to rate it I would say probably 60% to 65% the lower level jobs but still the higher level jobs the same thing. It was interesting.

Chairman Gatsas asked the performance evaluations are done on the employee's anniversary.

Ms. Lamberton answered it is called date of position, yes, but it is supposed to be done before that because as I mentioned to you in the collective bargaining units, which is about 900 people, if that manager or supervisor doesn't do the evaluation prior to the anniversary date the step is automatically granted. So it is important for them to be starting this process a month or two...particularly if they have a...it is a problem if they don't do them but it is not as big a problem if they have a good employee versus a problem employee. They really need to be on the ball in getting the evaluations done.

Chairman Gatsas asked well can you, and I will ask for a motion from somebody from the Committee if they so wish but can you get from every department head which employees automatically got their step without an evaluation that weren't deserving of it.

Ms. Lamberton replied we can ask.

Chairman Gatsas stated and we would like to get that in the next 30 days.

Alderman Pinard moved to have department heads provide the Committee with a list of employees who automatically got their step increase without an evaluation that weren't deserving of it. Alderman Garrity duly seconded the motion. Chairman Gatsas called for a vote. There being none opposed, the motion carried.

Alderman Garrity stated I have a further question. Ginny is the City at risk from any union contract when their particular employees evaluation is not done in a timely manner.

Ms. Lamberton replied it is only a good practice to do performance evaluations no matter what. To defend promotions, to defend demotions, to defend discharges...do you know what I mean? That is why we have them and that is why it was implemented in 1999. I wouldn't say you are at risk until you run into a problem employee.

Alderman Garrity asked who would file a grievance of some nature.

Ms. Lamberton stated let's say that one of the bargaining unit employees has not been evaluated in two or three years and all of the sudden the boss gives him or her a written warning for unsatisfactory work. That is a loser boss. You are not going anywhere. You haven't told that employee what they were doing wrong for the last two or three years so how are they supposed to know. That is what arbitrators are going to ask. Did they know or did they have reason to know that they were supposed to do this, this or that? Right now with the collective bargaining agreements if an employee's step is withheld, there is a board of some sort and what it is is two union reps, a non-affiliated employee, a department head and an individual from the public. So the employee can go to that Board and state their case about why they should have gotten their step. That group...because it is not an arbitration item to not get a step increase but that group decides whether or not that department should have given that employee his or her step. That is the final word.

Chairman Gatsas asked how long have you been here.

Ms. Lamberton answered five years.

Chairman Gatsas asked has anybody in the City of Manchester in five years not gotten a step.

Ms. Lamberton answered yes.

Chairman Gatsas asked had their step withheld.

Ms. Lamberton answered sure. I just had two of those hearings this summer that I was just describing to you from the Highway Department.

Chairman Gatsas asked were their performance evaluations in place.

Ms. Lamberton answered yes they were. One was from EPD and the other was from the other part of Highway and they had evaluations done.

Chairman Gatsas asked other than those two has anybody else's been held.

Ms. Lamberton answered yes. I can't tell you how many but I can tell you that I see them from time to time. Non-affiliated employees don't have any recourse whereas the union employees do have recourse to that appeals panel or whatever it is called.

Alderman Shea stated Ginny we talked about evaluations and we talked about performance appraisals. When we talk about performance appraisal does that mean that they get any extra financial compensation?

Ms. Lamberton replied not anymore. The Board changed that a couple of years ago. It used to be that the performance evaluation forms had numerical values associated to them and if an employee got more than a rating of a 7 they got a bonus. That is gone. There were also provisions for employees to get double steps. That is gone. The evaluation forms themselves are very simple. They are two pages, front and back, and it is narrative so you have to take some time to write in what is good and what is not good.

Alderman Shea asked who makes out the evaluation forms for the Tax Collector, for the HR Director, for the Highway...are they all made out similarly. Are they all the same?

Ms. Lamberton answered well it is the same form and that form would be completed by whoever is Mayor.

Alderman Shea asked in other words is it an evaluation form that is made out by Mrs. Porter...

Ms. Lamberton interjected no.

Alderman Shea asked who makes it out.

Ms. Lamberton answered it is a blank form on the G drive. We have two levels of forms. Administrative supervisory and non-administrative supervisor.

Alderman Shea asked where do they come from.

Ms. Lamberton answered from HR. We developed them.

Alderman Shea stated my concern would be that someone using the same form, if there is the same form, evaluating someone from the Tax Collector's Office certainly it wouldn't be germane to someone who is working at the Highway Department. By that I mean they don't do the same type of work. One is labor intense and the other might be more labor intense but there is a lot more paperwork involved. When somebody throws barrels for the City they don't necessarily have to have the same skills as far as writing and material like that. They really have to have skills that are involved like lifting and dexterity and things of that nature.

Ms. Lamberton replied I will send you all, if you would like, a copy of both forms and what you will notice is that they are very generic and as such they can be...there are certain things that no matter what job you have it is going to be important to that job. Did you come to work? Are you following the policies and procedures? How is your attitude? Are you communicating properly? Appearance? Are you dressed appropriately for whatever job you have? Those are just the ones that come off the top of my head and yes those can be applied to any position. Then there is an additional section that asks if you have anything else to say – the supervisor. Then there is a section beneath that that says to the employee do you have anything to say. Then everybody signs it and it becomes part of their personnel file. If you would like, I would be happy to send you...

Alderman Shea interjected no you don't have to. I was just wondering about it. The other question I have is my understanding is that the department heads also should be or are to be evaluated and who does that evaluation?

Ms. Lamberton replied that would be the Mayor.

Alderman Shea asked and has the Mayor completed these forms for department heads to your knowledge or am I asking something out of...he has that responsibility I think. In other words, what is the process? What is he supposed to do in order that the public should know whether department heads are performing their responsibilities in terms of their pay and also the fact that they would get raises and so forth?

Ms. Lamberton answered the Mayors in the past, after a certain period of time, have done performance appraisals and I qualified that because it is not fair to anybody to have a new boss, such as MEDO or Assessor or a department head to have a new boss come in and within a month or two be saying I don't approve of your performance. How would they know? Well the former Mayor did give them a list of expectations for the next evaluation period. All department heads got that from the former Mayor so now you have a new Mayor who may have different expectations but you have to give the department head or any other employee an opportunity to accomplish those expectations so in this instance I did meet with Mayor Guinta and we talked about that in February and it was my recommendation to him that yes he was an Alderman but that is a different perspective then when you are Mayor and I recommended to him that he not do any evaluations but bring the department heads in and sit with each department head when their steps were due and let it go because they accomplished what Mayor Baines wanted and if they don't agree with that department heads performance let that department head know right now, whether it is January, February, March, April, May, June or July, what his expectations are for the next period of time and if that department head fails to meet his expectations then he

should withhold their merit step increase at that time but he really has no legal basis to withhold it now because he hasn't given a work assignment or evaluated it or anything else. Again, I would give that advice to anybody. When we had a new Welfare Commissioner same thing. He walked in the door in the middle of a cycle of evaluations and I said just write insufficient time to evaluate but you better meet with those people and tell them what you want from them.

Alderman Shea stated I would say that the same thing would apply in terms of we'll say someone filing a grievance as Alderman Garrity brought up. If, for instance, the Mayor does not evaluate a particular department head and for whatever reason there might be a certain part on the Mayor to either have that person removed then unless there is some paperwork there would be no basis for the Aldermen to go along with any suggestion that the Mayor made. So it is incumbent in my judgement that if department heads are required to do evaluations then the Mayor certainly, within a certain period of time...I don't know just when that time is. You are making it probably six months or eight months or ten months. I'm not sure but it is incumbent that the Chief person or the Chief CEO of the City evaluate the people that are directly responsible for the operation of departments in my judgement. If he doesn't or whoever is the Mayor doesn't do that then obviously it is difficult for anyone who is in an administrator position to be let go.

Ms. Lamberton replied that is correct. It is also difficult for any employee not to know what the expectations are from their boss. Everybody wants to know that because everybody wants to please the boss no matter who the boss is.

Alderman Shea asked is the same evaluation sheet presented to the department heads as is presented to the employees. In other words is the same sheet used?

Ms. Lamberton answered the same forms are used for every employee in the City.

Alderman Shea asked so the Mayor has that form in terms of evaluating Mrs. Porter or you or whomever else is a department head correct.

Ms. Lamberton answered that is correct.

There being no further business, on motion of Alderman Pinard, duly seconded by Alderman Garrity, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee